



***Financial Report***

***Terrebonne Parish Fire District No. 9***

***Houma, Louisiana***

***For the year ended December 31, 2008***

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/29/09

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For the year ended December 31, 2008

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## **FINANCIAL SECTION**



Bourgeois Bennett

## INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners,  
Terrebonne Parish Fire District No. 9,  
Houma, Louisiana.

We have audited the accompanying financial statements of the governmental activities and the General Fund of Terrebonne Parish Fire District No. 9, State of Louisiana, (the District), a component unit of Terrebonne Parish Consolidated Government, State of Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the General Fund of Terrebonne Parish Fire District No. 9 as of December 31, 2008, and the respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with Government Auditing Standards, we have also issued our report dated June 19, 2009 on our consideration of Terrebonne Parish Fire District No. 9's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
June 19, 2009.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Terrebonne Parish Fire District No. 9**

The Management's Discussion and Analysis of the Terrebonne Parish Fire District No. 9's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2008. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

The District's assets exceeded its liabilities at the close of fiscal year 2008 by \$1,610,684 (net assets), which represents a 10.66% increase from last fiscal year.

The District's revenue increased \$97,102 (or 20.69%). This was primarily due to the increase in ad valorem taxes and FEMA revenue.

The District's expenditures increased \$95,027 or 30.05%. This was due to an increase in other services and charges and repairs and maintenance due to expenses incurred as a result of Hurricanes Gustav and Ike. The District anticipates a substantial portion of these expenses will be reimbursed by FEMA.

The District did not have any funds with deficit fund balances.

### **OVERVIEW OF THE FINANCIAL STATEMENT**

This discussion and analysis is intended to serve as an introduction to the District's financial statements. The District's annual report consists of three parts: (1) management's discussion and analysis (this section) (2) financial statements and (3) various governmental compliance reports and schedules by certified public accountants and management.

The financial statements include two kinds of statements that present different views of the District:

#### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business. The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful

indicator of whether the financial position of the District is improving or deteriorating. The statement of activities presents information showing how the District's net assets change during each fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs regardless of the timing related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The governmental activity of the District is public safety which is comprised of various programs that include construction, maintenance and operation of fire protection facilities and the prevention and extinguishment of fires.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the District are governmental funds.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains one individual governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The governmental fund financial statements can be found on pages 9-13 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in Exhibit F of this report.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. As of December 31, 2008, assets exceeded liabilities by \$1,610,684. A large portion of the District's net assets (76.54%) reflects its investment in capital assets (e.g., land; buildings; machinery, equipment, furniture and vehicles). Consequently, these assets are not available for future spending.

### **Condensed Statements of Net Assets**

	<u>December 31,</u>		<u>Dollar</u>
	<u>2008</u>	<u>2007</u>	<u>Change</u>
Current and other assets	\$ 1,012,178	\$ 935,672	\$ 76,506
Capital assets	<u>1,232,794</u>	<u>1,047,913</u>	<u>184,881</u>
Total assets	<u>2,244,972</u>	<u>1,983,585</u>	<u>261,387</u>
Current liabilities	78,578	67,330	11,248
Unearned revenue	544,905	455,357	89,548
Long Term Liabilities due in more than one year	<u>10,805</u>	<u>5,402</u>	<u>5,403</u>
Total liabilities	<u>634,288</u>	<u>528,089</u>	<u>106,199</u>
Net Assets:			
Invested in capital assets	1,232,794	1,047,913	184,881
Unrestricted	<u>377,890</u>	<u>407,583</u>	<u>(29,693)</u>
Total net assets	<u>\$ 1,610,684</u>	<u>\$ 1,455,496</u>	<u>\$ 155,188</u>

## Governmental Activities

Governmental activities increased the District's net assets by \$155,158. Key elements of this increase are as follows:

### Condensed Changes in Net Assets

	December 31,		Dollar	Total
	2008	2007	Change	Percent
Revenues:				Change
Ad valorem taxes	\$ 461,672	\$ 412,491	\$ 49,181	11.92%
Intergovernmental	88,456	25,883	62,573	241.75%
Miscellaneous	16,336	30,988	(14,652)	-47.28%
Total revenues	566,464	469,362	97,102	20.69%
Expenses:				
General Government	17,683	23,785	(6,102)	-25.65%
Public Safety	393,593	292,464	101,129	34.58%
Total expenses	411,276	316,249	95,027	30.05%
Increase in net assets	155,188	153,113	2,075	1.36%
Net assets beginning of year	1,455,496	1,302,383	153,113	11.76%
Net assets end of year	<u>\$ 1,610,684</u>	<u>\$ 1,455,496</u>	<u>\$ 155,188</u>	10.66%

The increase in revenues is primarily attributable to an increase in the value of property assessed within the District and the related increase in ad valorem tax assessments. The increase in intergovernmental revenue is due to FEMA revenue for damages sustained during Hurricanes Gustav and Ike. Public safety expenses increases due to the payment of contract labor and various repairs for hurricane damages.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the District's governmental fund reported a combined ending fund balance of \$378,986, a decrease of \$25,797 in comparison with the prior year. The unreserved fund balance of \$378,986 is available for spending at the District's discretion.

## General Fund Budgetary Highlights

The budget was amended twice during the year. The primary reasons for amending the budget were to prevent compliance violations under state law. The major differences between the original General Fund budget and the final amended budget were as follows:

### Revenues

- Ad valorem taxes was increased by \$52,600 to approximate money recieved.
- Interest revenues were decreased by \$4,000 for lower rates of return on money invested.

### Expenditures

- Other services and charges were increased by \$46,400 due to increased contract labor.
- Capital outlay was increased by \$152,490 due increases in vehicle and communication equipment purchases.

During the year, actual revenues exceeded budgetary estimates, while actual expenditures were less than budgetary estimates.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2008, amounts to \$1,232,794 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, furniture and vehicles (see table below).

	<u>2008</u>	<u>2007</u>
Land	\$ 26,000	\$ 26,000
Buildings	586,001	586,001
Machinery, equipment furniture and vehicles	<u>1,416,196</u>	<u>1,272,438</u>
Totals	<u>\$ 2,028,197</u>	<u>\$ 1,884,439</u>

Major capital asset events during the current fiscal year included the following:

- Purchase of a new fire truck
- Purchase of a new ice machine and copier
- Purchase of various communications equipment.

Additional information on the District's capital assets can be found in the Note 5, Exhibit F of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Board of Directors considered the following factors and indicators when setting next year's budget, rates, and fees. These factors and indicators include:

- The ad valorem tax revenue budgeted represents the estimated amount of the November 2008 assessment, which the District will receive, for the most part, in January 2009.
- A 6% pay increase for the employees of the District.
- The budget for repairs and maintenance has been increased for future repairs related to Hurricanes Gustav and Ike.
- The budget for capital expenditures has been increased for the purchase of new self-contained breathing apparatuses.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Board of Directors of the Terrebonne Parish Fire District No. 9, 2820 Savanne Road, Houma, Louisiana 70360.

**STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUND BALANCE SHEET**

**Terrebonne Parish Fire District No. 9**

December 31, 2008

	<u>General Fund</u>	<u>Adjustments (Exhibit B)</u>	<u>Statement of Net Assets</u>
<b>Assets</b>			
Cash	\$ 15,955		\$ 15,955
Investments	376,592		376,592
Receivables:			
Taxes	167,152		167,152
Other	62,325		62,325
Prepaid insurance	-	\$ 9,709	9,709
Due from other governmental units	380,445	-	380,445
Capital assets:			
Non-depreciable	-	26,000	26,000
Depreciable, net of accumulated depreciation	-	1,206,794	1,206,794
<b>Total assets</b>	<u><u>\$ 1,002,469</u></u>	<u><u>1,242,503</u></u>	<u><u>2,244,972</u></u>
<b>Liabilities</b>			
Accounts payable and accrued expenditures	\$ 75,766	-	75,766
Due to Terrebonne Parish Consolidated Government	2,812	-	2,812
Unearned revenue	544,905	-	544,905
Long term liabilities			
Due in more than one year	-	10,805	10,805
<b>Total liabilities</b>	<u><u>623,483</u></u>	<u><u>10,805</u></u>	<u><u>634,288</u></u>
<b>Fund Balance/Net Assets</b>			
Fund balance - unreserved	<u><u>378,986</u></u>	<u><u>(378,986)</u></u>	<u><u>-</u></u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 1,002,469</u></u>	<u><u>(368,181)</u></u>	<u><u>634,288</u></u>
<b>Net assets:</b>			
Invested in capital assets		1,232,794	1,232,794
Unrestricted		377,890	377,890
<b>Total net assets</b>		<u><u>\$ 1,610,684</u></u>	<u><u>\$ 1,610,684</u></u>

See notes to financial statements.

**RECONCILIATION OF THE GOVERNMENTAL FUND  
BALANCE SHEET TO THE STATEMENT OF NET ASSETS**

**Terrebonne Parish Fire District No. 9**

December 31, 2008

<b>Fund Balances - Governmental Fund</b>		<b>\$ 378,986</b>
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Amounts reported for governmental activities in the statement of net assets  
are different because:

Capital assets used in governmental activities are not financial resources  
and, therefore, are not reported in the governmental fund:

Governmental capital assets	\$ 2,028,197	
Less accumulated depreciation	<u>(795,403)</u>	1,232,794

Long-term liabilities are not due and payable in the current period and  
therefore are not reported in the government fund.

Other postemployment benefit obligation	(10,805)
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Other assets are not available to pay for current-period expenditures:

Prepaid insurance	<u>9,709</u>
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<b>Net Assets of Governmental Activities</b>		<b><u>\$ 1,610,684</u></b>
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See notes to financial statements.

**STATEMENT OF ACTIVITIES AND STATEMENT OF  
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE**

**Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

	General Fund	Adjustments (Exhibit D)	Statement of Activities
<b>Revenues</b>			
Taxes	\$ 461,672		\$ 461,672
Intergovernmental:			
State of Louisiana:			
State revenue sharing	9,910		9,910
Fire insurance tax	8,411		8,411
Supplemental pay	10,200		10,200
FEMA	59,935		59,935
Miscellaneous:			
Interest	16,306		16,306
Other	30		30
Total revenues	<u>566,464</u>		<u>566,464</u>
<b>Expenditures/Expenses</b>			
Current:			
General government:			
Ad valorem tax adjustments	1,475		1,475
Ad valorem tax deductions	16,208		16,208
Total general government	<u>17,683</u>		<u>17,683</u>
Public safety:			
Personal services	115,426	\$ 5,403	120,829
Supplies and materials	29,526	-	29,526
Other services and charges	104,471	1,913	106,384
Repairs and maintenance	44,470	-	44,470
Depreciation	-	92,384	92,384
Total public safety	<u>293,893</u>	<u>99,700</u>	<u>393,593</u>
Capital outlay	<u>280,685</u>	<u>(280,685)</u>	<u>-</u>
Total expenditures/expenses	<u>592,261</u>	<u>(180,985)</u>	<u>411,276</u>
<b>Excess of Expenses Over Revenues</b>	(25,797)	25,797	-
<b>Change in Net Assets</b>	-	155,188	155,188
<b>Fund Balance/Net Assets</b>			
Beginning of year	404,783	1,050,713	1,455,496
End of year	<u>\$ 378,986</u>	<u>\$ 1,231,698</u>	<u>\$ 1,610,684</u>

See notes to financial statements.

**RECONCILIATION OF THE STATEMENT OF GOVERNMENTAL  
FUND REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE TO THE STATEMENT OF ACTIVITIES**

**Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

**Net Change in Fund Balance - Governmental Fund** **\$ (25,797)**

Amounts reported for governmental activities in the statement of activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in  
the statement of activities the cost of those assets is allocated over their  
*estimated useful lives and reported as depreciation expense.*

Capital outlay	\$ 280,685	
Depreciation expense	(92,384)	
Loss on disposal of assets	<u>(3,421)</u>	184,880

Some expenses reported in the statement of activities do not require the use  
of current financial resources and therefore, are not reported as expenditures  
in the governmental fund.

Other postemployment benefits	(5,403)
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Under the modified accrual basis of accounting used in the governmental funds,  
expenditures are recognized for transactions that are normally paid with  
expendable available financial resources. In the statement of activities, however,  
which is presented on the accrual basis, expenses and liabilities are reported  
regardless of when financial resources are available.

Increase in prepaid insurance	<u>1,508</u>
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<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$ 155,188</u></b>
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See notes to financial statements.



**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
GENERAL FUND**

**Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<b>Revenues</b>				
Taxes	\$ 396,000	\$ 448,600	\$ 461,672	\$ 13,072
Intergovernmental:				
State of Louisiana:				
State revenue sharing	8,800	8,800	9,910	1,110
Fire insurance tax	8,300	8,300	8,411	111
Supplemental pay	7,200	7,200	10,200	3,000
FEMA	-	-	59,935	59,935
Miscellaneous:				
Interest	20,000	16,000	16,306	306
Other	100	-	30	30
Total revenues	<u>440,400</u>	<u>488,900</u>	<u>566,464</u>	<u>77,564</u>
<b>Expenditures</b>				
Current:				
General government:				
Ad valorem tax adjustments	-	-	1,475	(1,475)
Ad valorem tax deductions	<u>15,000</u>	<u>15,000</u>	<u>16,208</u>	<u>(1,208)</u>
Total general government	<u>15,000</u>	<u>15,000</u>	<u>17,683</u>	<u>(2,683)</u>
Public safety:				
Personal services	124,800	122,300	115,426	6,874
Supplies and materials	25,500	29,100	29,526	(426)
Other services and charges	63,600	110,000	104,471	5,529
Repairs and maintenance	<u>35,000</u>	<u>39,000</u>	<u>44,470</u>	<u>(5,470)</u>
Total public safety	<u>248,900</u>	<u>300,400</u>	<u>293,893</u>	<u>6,507</u>
Capital outlay	<u>139,000</u>	<u>291,490</u>	<u>280,685</u>	<u>10,805</u>
Total expenditures	<u>402,900</u>	<u>606,890</u>	<u>592,261</u>	<u>14,629</u>
<b>Net Change in Fund Balance</b>	<b>37,500</b>	<b>(117,990)</b>	<b>(25,797)</b>	<b>92,193</b>
<b>Fund Balance</b>				
Beginning of year	<u>215,139</u>	<u>404,783</u>	<u>404,783</u>	<u>-</u>
End of year	<u>\$ 252,639</u>	<u>\$ 286,793</u>	<u>\$ 378,986</u>	<u>\$ 92,193</u>

See notes to financial statements.

**NOTES TO FINANCIAL STATEMENTS**

**Terrebonne Parish Fire District No. 9**

December 31, 2008

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Terrebonne Parish Fire District No. 9 (the District) conform to accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies:

**a) Reporting Entity**

The District is a component unit of Terrebonne Parish Consolidated Government (the Parish) and as such, these financial statements will be included in the comprehensive annual financial report (CAFR) of the Parish for the year ended December 31, 2008.

The District has reviewed all of its activities and determined that there are no potential component units which should be included in its financial statements.

**b) Basis of Presentation**

The District's financial statements consist of the government-wide statements on all activities of the District and the governmental fund financial statements.

**Government-wide Financial Statements:**

The government-wide financial statements include the Statement of Net Assets and the Statement of Activities for all activities of the District. The government-wide presentation focuses primarily on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Basis of Presentation (continued)**

**Fund Financial Statements:**

The fund financial statements are very similar to the traditional government fund statements as presented by governments prior to the issuance of Statement No. 34. The daily accounts and operations of the District continue to be organized on the basis of a fund and accounts groups, each of which is considered a separate accounting entity. The operations of the fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues and expenditures. Government resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following is the governmental fund of the District:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those that are required to be accounted for in another fund.

**c) Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

**Government-wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized in the year for which they are levied.

**Fund Financial Statements:**

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Governmental funds are maintained on the modified accrual basis of accounting.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Measurement Focus and Basis of Accounting (continued)**

Governmental fund revenues resulting from exchange transactions are recognized in the fiscal year in which the exchange takes place and meets the government's availability criteria (susceptible to accrual). Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year, except for FEMA reimbursements for which the period is six months. Ad valorem taxes and the related state revenue sharing (intergovernmental revenue) are recognized as revenue in the period for which levied, thus the 2008 property taxes which are being levied to finance the 2009 budget will be recognized as revenue in 2009. The 2008 tax levy is recorded as deferred revenue in the District's 2009 financial statements. Miscellaneous revenues are recorded as revenues when received in cash by the District because they are generally not measurable until actually received.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on general long-term debt which are recognized when due. Allocations of cost such as depreciation are not recognized in the governmental funds.

**d) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**e) Operating Budgetary Data**

As required by the Louisiana Revised Statute 39:1303, the Board of Commissioners (the Board) adopted a budget for the District's General Fund. The budgetary practices include public notice of the proposed budget, public inspection of the proposed budget and a public hearing on the budget prior to adoption. Any amendment involving the transfer of monies from one function to another or increases in expenditures must be approved by the Board. The District amended its budget twice during the year. All budgeted amounts which are not expended, or obligated through contracts, lapse at year-end.

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e) Operating Budgetary Data (continued)**

The General Fund budget is adopted on a basis materially consistent with accounting principles generally accepted in the United States of America.

The General Fund budget presentation is included in the basic financial statements.

**f) Accounts Receivable**

The financial statements for the District contain no allowance for uncollectible accounts. Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. These amounts are not considered to be material in relation to the financial position or operations of the fund.

**g) Investments**

Investments are stated at fair value as established by open market, except for the Louisiana Asset Management Pool (LAMP). LAMP is an external pool which is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost rather than fair value to report net assets to compute share prices if certain conditions are met.

Investments during the year consisted of LAMP.

**h) Capital Assets**

The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are reported in the government-wide or fund financial statements.

Government-wide Financial Statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets purchased or acquired with an original cost of \$500 or more are valued at historical cost, or estimated historical cost if actual is unavailable, except for

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**h) Capital Assets (continued)**

donated capital assets which are recorded at their estimated fair value at the date donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of all exhaustible capital assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Machinery, equipment furniture and vehicles	5-20 years

**Fund Financial Statements:**

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**i) Vacation and Sick Leave**

Full time employees are entitled to eighteen days vacation after one year of service. Each year the employee must take their vacation time before their anniversary date (day they first began working). If not taken before their anniversary date, the vacation time is forfeited. The vacation period shall be increased one day for each year of service over ten years, up to a maximum period of thirty days. There is no material accumulated vacation at December 31, 2008.

Every firefighter in the employ of a fire protection district shall be entitled to full pay during sickness or incapacity not brought about by his own negligence or culpable indiscretion for a period of not less than fifty-two weeks. A firefighter employed by any fire protection district who draws full pay during sickness or incapacity shall have such pay decreased by the amount of workers' compensation benefits actually received by the employee. A firefighter is entitled to sick leave benefits even though the injury or illness may have occurred while he was off duty. Firefighters are not prohibited from engaging in part-time employment while receiving sick leave. A probationary firefighter who is not a regular or permanent firefighter is not entitled to

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**i) Vacation and Sick Leave (continued)**

sick leave benefits provided by the district. Sick leave does not accumulate for District employees. Accordingly, there is no accrued sick leave as of December 31, 2008.

**j) Fund Equity**

Government-wide Statements:

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributions or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets”.

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. As of December 31, 2008 and for the year then ended, the District did not have or receive restricted net assets.

Fund Financial Statements:

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**Note 2 - DEPOSITS AND INVESTMENTS**

Louisiana state law allows all political subdivisions to invest excess funds in obligations of the United States or any other federally insured investments, certificates of deposit of any bank domiciled or having a branch office in the state of Louisiana, guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations.

**Bank Deposits:**

State law requires deposits (cash) of all political subdivisions to be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the political subdivision or with an unaffiliated bank or trust company for the account of the political subdivision.

The year end balances of deposits are as follows:

<u>Bank Balances</u>	<u>Reported Amount</u>
<u>\$ 18,047</u>	<u>\$ 15,955</u>

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District has a written policy for custodial risk. As of December 31, 2008, the District's bank balance of \$18,047 was covered by federal deposit insurance and not exposed to custodial credit risk.

**Investments:**

State statutes authorizes the Board to invest in obligations of the U.S. Treasury, agencies and instrumentalities; guaranteed investment contracts and investment grade (A-1/P-1) commercial paper of domestic corporations; repurchase agreements; and the Louisiana Asset Management Pool (LAMP).

As a means of limiting its exposure to fair value losses arising from interest rates, the District's investment policy emphasized maintaining liquidity to match specific cash flows.



**Note 2 - DEPOSITS AND INVESTMENTS (Continued)**

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy requires the application of the prudent-person rule. This policy states, *investments shall be made with the judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. Primary emphasis shall be placed upon the safety of principal secondly to maintain liquidity to meet operating requirements and finally to obtain the most favorable rate of return.* The District's investment policy limits investments to those discussed earlier in this note. LAMP has a Standard & Poor's Rating of AAAm.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments in external investment pools are not exposed to custodial credit risk because of their natural diversification and the diversification required by the Securities and Exchange Commission.

LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value. For purposes of determining participants' shares, investments are valued at amortized cost. The fair value of participants' position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. Investments in LAMP at December 31, 2008, amounted to \$376,592.

**Note 3 - PROPERTY TAXES**

Property taxes are levied each November 1 on the assessed value listed as of the prior January 1 for all real property, merchandise and movable property located in the Parish. Assessed values are established by the Terrebonne Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. A reevaluation of all property is required to be completed no less than every four years. The last reevaluation was completed for the list of January 1, 2005. Taxes are due and payable December 31 with interest being charged on payments after January 1. Taxes can be paid through the tax sale date, which is the last Wednesday in June. Properties for which the taxes have not been paid are sold for the amount of the taxes. The tax rate for the year ended December 31, 2008 was \$15.00 per \$1,000 of assessed valuation on property within Fire District No. 9 for the purpose of constructing, maintaining and operating fire protection facilities within the District and paying the cost of obtaining water for fire protection purposes. As indicated in Note 1c, taxes levied November 1, 2008 are for budgeted expenditures in 2009 and will be recognized as revenues in 2009.

**Note 4 - DUE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at December 31, 2008 consisted of the following:

State of Louisiana:	
State revenue sharing	\$ 6,920
Terrebonne Parish Tax Collector - December, 2008	
collections remitted to the District in January, 2009:	
Ad valorem taxes	370,065
State revenue sharing	<u>3,460</u>
Total	<u>\$380,445</u>

**Exhibit F  
(Continued)**

**Note 5 - CHANGES IN CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance January 1, 2008	Additions	Deletions	Balance December 31, 2008
Capital assets not being depreciated:				
Land	\$ 26,000			\$ 26,000
Capital assets being depreciated:				
Buildings	586,001			586,001
Machinery, equipment, furniture and vehicles	1,272,438	\$ 280,685	\$ (136,927)	1,416,196
Total capital assets being depreciated	1,858,439	280,685	(136,927)	2,002,197
Less accumulated depreciation for:				
Buildings	(142,968)	(17,019)		(159,987)
Machinery, equipment, furniture and vehicles	(693,557)	(75,365)	133,506	(635,416)
Total accumulated depreciation	(836,525)	(92,384)	133,506	(795,403)
Total capital assets being depreciated, net	1,021,914	188,301	(3,421)	1,206,794
Total capital assets, net	\$ 1,047,914	\$ 188,301	\$ (3,421)	\$ 1,232,794

**Note 6 - ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES**

Accounts payable and accrued expenditures at December 31, 2008 consisted of the following:

Vendors	\$16,536
Salaries and benefits	2,686
Protest taxes	<u>56,544</u>
Total	<u>\$75,766</u>

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

**Plan Description**

The District administers a single employer defined benefit healthcare plan (the Plan). The Plan provides for the payment of medical, dental and life insurance premiums for eligible employees, retirees and their dependents as approved by the Board of Commissioners. The District funds the entire premium for all benefits on all employees.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

For employees retiring before January 1, 2005 the District funded the premiums for employees retiring with at least ten years of service upon retiring from the formal retirement systems and will participate in the cost at the applicable single rates. District employees retiring with at least ten years of permanent full-time creditable service with the District shall be eligible to participate in the Plan approved by the Board of Commissioners under the following vesting schedule as adopted for retirements on or after January 1, 2005: 11 to 15 years of service, 2.75% per year; 16 to 20 years of service, 41.25% plus 3.75% per year of service between 16 and 20; 21 years or more of service, 60% plus 5% per year of service over 20, limited to 85% of the premium. A retired employee may provide dependent hospitalization coverage at applicable dependent rates. To be eligible for coverage after retirement, retired employees must be eligible for retirement under the Firefighters' Retirement System of Louisiana, see Note 8. The District does not issue a publicly available financial report on the Plan.

**Funding Policy**

The District fully funds required premiums based on pay-as-you-go financing requirements. For fiscal year 2008 the District did not pay any premiums for the retirees.

**Annual OPEB Cost and Net OPEB Obligation**

In fiscal year 2008 the District recognized a net other postemployment benefit (OPEB) obligation for covered postemployment healthcare benefits in accordance with the provisions of GASB Statement No. 45, *Accounting for Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB 45). GASB 45 was implemented prospectively with zero net obligation at transition. The District's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the premiums actually paid and the District's net OPEB obligation.

Annual required contribution	\$ 5,403
Premiums paid	<u>-</u>
Increase in net OPEB obligation	5,403
Net OPEB obligation:	
Beginning of year	<u>5,402</u>
End of year	<u><u>\$ 10,805</u></u>

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

The District's annual OPEB cost, the percentage of annual OPEB premiums paid, and the net OPEB obligation as of December 31, 2008 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Paid	Net OPEB Obligation
12/31/2007	\$ 5,402	0.0%	\$ 5,402
12/31/2008	5,403	0.0%	5,403
			<u>\$ 10,805</u>

The net OPEB obligation is reported as follows:

Non-current liabilities:	
Due in more than one year	<u>\$ 10,805</u>

**Funded Status and Funding Progress**

As of January 1, 2007, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$106,901. Covered payroll for eligible employees was \$61,130 and the total UAAL represents 174.9 percent of covered payroll.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions**

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and eligible employees and retirees) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between the employer and eligible employees and retirees to that point. The actuarial calculations reflect a long-term perspective.

In the January 1, 2007, actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return and an annual medical cost trend rate of 11 percent initially, reduced by decrements to an ultimate rate of 6 percent after nine years. The dental cost trend was initially 6.5 percent, reduced by decrements to an ultimate rate of 4 percent after five years. Zero trend was assumed for valuing life insurance. As of the valuation date, the District only pays required insurance premiums directly from District resources, accordingly there are no plan assets, hence no need for an actuarial value of assets. The UAAL is being amortized as a level percent of payroll on a closed basis. The remaining amortization period at January 1, 2007 was 30 years.

**Note 7 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

**Required Supplementary Information**

Once an additional OPEB actuarial valuation is completed, the District will be required to present a required schedule of funding progress immediately following the notes to its financial statements showing multiyear trend information about whether the actuarial accrued liability is increasing or decreasing over time.

**Note 8 - DEFINED BENEFIT PENSION PLAN**

**Plan Description** - The District contributes to the Firefighters' Retirement System of Louisiana (the System), a cost-sharing multiple-employer defined benefit public retirement system which is controlled and administered by a separate Board of Trustees. The System provides retirement, deferred and disability benefits, survivor's benefits and cost of living adjustments to plan members and beneficiaries. Act 434 of the 1979 Louisiana Legislative Session established the plan. The System is governed by Louisiana Revised Statutes 11:2251 through 11:2269, specifically, and other general laws of the State of Louisiana. The System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to Firefighters' Retirement System of Louisiana, 2051 Silverside Drive, Suite 210, Baton Rouge, Louisiana 70808-4136.

**Funding Policy** - Plan members are required to contribute 8% of their earnable compensation, and the District is required to contribute at an actuarially determined rate. For the year ended December 31, 2008, the rate was 12.5% of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by state statute. The District's contributions to the System for the years ending December 31, 2008, 2007, and 2006 were \$10,104, \$10,154, and \$10,148 respectively, equal to the required contributions for each year.

**Note 9 - SUPPLEMENTAL PAY**

In addition to the compensation paid to the District's employees, firemen may be eligible to receive supplemental pay. The amount of the compensation is determined by State Law and is revised periodically.

As per Louisiana Revised Statute 33:2002, any full-time, regular employee of the parish fire protection district who is hired after March 31, 1986, who has passed a certified firemen's training program equal to the National Fire Protection Association Standard 1001 and who is paid three hundred dollars per month from public funds is eligible for supplemental pay. These full-time employees are carried on the payroll paid from funds of the parish obtained through lawfully adopted bond issues or lawfully assessed taxes, either directly or through a board or commission set up by law or ordinance. Employees

**Note 9 - SUPPLEMENTAL PAY (Continued)**

employed by the District are not eligible for supplemental pay if they are presently drawing a retirement or disability pension, clerical employees and mechanics and for those employees who have not passed a certified firemen's training program but are hired after March 31, 1986. State supplemental pay for firefighters must be taken into account in calculating firefighters longevity pay, holiday pay and overtime pay. The period of service for computing additional compensation includes prior service of employees who have returned or who hereafter return to such service provided that service in any parish or fire protection district fire department shall be used in computing such prior service which includes full-time employees of a volunteer fire department.

As of December 31, 2008, the District has recognized revenue and expenditures of \$10,200 in salary supplements that the State of Louisiana has paid directly to the District's employees.

**Note 10 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to workers' compensation; torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and group health benefits for which the District carries commercial insurance and also participates in the Parish's risk management program for workers' compensation and group health insurance. No settlements were made during the year that exceeded the District's insurance coverage. The District's premiums for workers' compensation insurance are based on a fixed percentage of payroll. The premiums for auto liability are paid to the Parish for reimbursement of commercial carrier premiums. The premiums for group insurance are based on a fixed rate per employee. The Parish handles all claims filed against the District for which it has insurance coverage under the Parish. The District could have additional exposure for claims in excess of the Parish's insurance contracts as described below:

<u>Policy</u>	<u>Coverage Limits</u>
Workers' Compensation	Statutory

The Parish is self-insured for the first \$125,000 of each claim relating to group health insurance. The aggregate deductible for all group claims relating to group insurance for 2007 was \$12,648,033. Insurance contracts cover the excess liability, up to \$1,000,000 on individual claims. Each covered employee is subject to a lifetime maximum claims limit of \$1,000,000. Coverage for group health claim liabilities are to be funded first by assets of the Parish's group health internal service fund, \$3,994,686 at December 31, 2007 then secondly by the District or the employee for individual claims in excess of

**Note 10 - RISK MANAGEMENT (Continued)**

\$1,000,000. Coverage for workers' compensation claim liabilities are to be funded first by assets of the Parish's workers' compensation internal service fund, \$2,975,263 at December 31, 2007, then secondly by the District. At December 31, 2008 the District had no claims in excess of the above coverage limits. Expenditures for premiums to the Parish for insurance coverages during the year ended December 31, 2008 totaled \$20,684.

**Note 11 - COMPENSATION OF BOARD MEMBERS**

The following amounts were paid to Board Members as per diems for attendance at board meetings and for services rendered in connection with emergency services following Hurricanes Gustav and Ike for the year ended December 31, 2008:

<u>Board Member</u>	<u>Number of Meetings Attended</u>	<u>Per Diem</u>	<u>Emergency Services</u>
Mickey Adams	12	\$ 360	\$ 2,975
Brad Blanchard	11	330	106
Paul Breaux	10	210	5,209
Lynn Giroir	11	330	-
Floyd Trahan*	8	-	3,258
		<u>\$ 1,230</u>	<u>\$ 11,548</u>

\* Board member elected to serve without compensation for attendance at board meetings for the year ended December 31, 2008.

**Note 12 - CONTINGENCIES**

In September 2008, Hurricanes Gustav and Ike struck south Louisiana. At the present time management does not have an estimate of the net cost of repair and recovery efforts. However, management believes Hurricane relief and recovery efforts will not have a material impact on the District's operations.



**SPECIAL REPORTS OF CERTIFIED PUBLIC ACCOUNTANTS**



Bourgeois Bennett

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners,  
Terrebonne Parish Fire District No. 9,  
Houma, Louisiana.

We have audited the financial statements of the governmental activities and the General Fund of Terrebonne Parish Fire District No. 9 (the District), a component unit of Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2008, and have issued our report thereon dated June 19, 2009. We conducted our audit in accordance with *auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting. See 08-01.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, the significant deficiency described above as 08-01 we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and responses as item 08-01.

This report is intended for the information of the Board of Commissioners, management, the State of Louisiana and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified persons. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bourgeois Bennett, L.L.C.*

Certified Public Accountants.

Houma, Louisiana,  
June 19, 2009.

## **SCHEDULE OF FINDINGS AND RESPONSES**

### **Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

#### **Section I Summary of Auditor's Results**

##### **a) Financial Statements**

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiencies identified that are not considered to be material weaknesses?        yes   X   none reported

Noncompliance material to financial statements noted?   X   yes        no

##### **b) Federal Awards**

Terrebonne Parish Fire District No. 9 did not expend federal awards during the year ended December 31, 2008.

#### **Section II Financial Statement Findings**

##### **Internal Control Over Financial Reporting**

##### **Compliance and Other Matters**

**08-01 Criteria** – Louisiana Revised Statutes 33:561 and 33:713 require that board members not have a financial interest, directly or indirectly, in any contract for the performance of work for or the furnishing of materials or services to the District.

**Condition** – The District paid board members for services rendered following Hurricanes Gustav and Ike. The District does not maintain internal controls which would have alerted the Board as to the nature of these payments prior to the issuing of the checks.

**Questioned Costs** – \$11,548

**Context** – Systematic

**Effect** – The District is not in compliance with state law.

## **SCHEDULE OF FINDINGS AND RESPONSES**

(continued)

### **Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

#### **Section II Financial Statement Findings**

##### **Compliance and Other Matters**

###### **08-01 (Continued)**

**Cause** – The District paid board members for emergency services following Hurricanes Gustav and Ike.

**Recommendation** – The District should comply with State laws by maintaining a listing of the types of payments to board members and others which would violate local, state and federal laws. The listing should be periodically reviewed by members of management and the board.

**Views on Responsible Officials of the Auditee when there is a Disagreement with the Findings to the Extent Practical** – None.

#### **Section III Federal Award Findings and Questioned Costs**

Not Applicable.

## **REPORTS BY MANAGEMENT**

## **SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES**

### **Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control**

No material weaknesses were reported during the audit for the year ended December 31, 2007.

No reportable conditions were reported during the audit for the year ended December 31, 2007.

##### **Compliance**

No compliance findings material to the basic financial statements were noted during audit for the year ended December 31, 2007.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Fire District No. 9 did not receive federal awards during the year ended December 31, 2007.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2007.

## **MANAGEMENT'S CORRECTIVE ACTION PLAN**

### **Terrebonne Parish Fire District No. 9**

For the year ended December 31, 2008

#### **Section I Internal Control and Compliance Material to the Basic Financial Statements**

##### **Internal Control Over Financial Reporting**

##### **Compliance**

**08-01 Recommendation** – The District should comply with State laws by maintaining a listing of the types of payments to board members and others which would violate local, state and federal laws. The listing should be periodically reviewed by members of management and the board.

**Management's Response** – Management has been informed about avoiding payments to board members and will monitor this in the future.

#### **Section II Internal Control and Compliance Material to Federal Awards**

Terrebonne Parish Fire District No. 9 did not expend federal awards during the year ended December 31, 2008.

#### **Section III Management Letter**

A management letter was not issued in connection with the audit for the year ended December 31, 2008.